

**ITEM 2**  
**6:01 p.m.**

---

**APPLICANT:** City of Bloomington

**REQUEST:** Industrial Zoning Update

---

**DISCUSSION:**

James provided an overview of the Industrial Zoning Update:

- Takeaways from last Planning Commission discussion –
  - Reduced minimum lot size and front setbacks, parking standards review for industrial-retail district, adding uses in industrial areas that increase foot traffic, create a reason to go there, nonconformity maps, map of open storage uses, allow indoor recreation
- Takeaways from last City Council discussion –
  - Allow flexibility to permit new uses, open to live/work, non-conformity graphic to accompany proposed rezonings, open to rezoning FD-1, consolidation of I-1 and IT, identify “commercial retail” vs. “industrial retail”, evaluate open storage market; allow, but needs screening standards
- Guiding Principles –
  - **Preserve the Industrial Base in the City** – Limit non-industrial encroachment and need to balance uses
  - **Limit Erosion of the City’s Commercial Node** – Industrial areas offer lower rent and need to limit vacancy and maintain demand in commercial centers
  - **Address New and Evolving Uses** – Innovation and Technology District and maker spaces, business incubators, live/work
  - **Improve User Experience of the Code** – Chapter 19 to 21, consolidate, correct inconsistencies, use matrix
- Focus Group Takeaways -
  - Bloomington’s strength is its location in regional market
  - Obsolete properties in terms of size, age and clear height – It is too expensive for redevelopment of older properties.
  - Change of Code constraints – paving, lighting, trash enclosure
  - New use demands/interests – live/work, breweries, places of assemblies, social clubs, sports training facilities

Goodrum asked about the definition of social clubs. Markegard gave Knight’s of Columbus and VFW as a local example of social clubs in industrial zones.

- Employment within Industrial Districts –
  - Manufacturing and wholesale trade has remained consistent
  - Transportation and warehousing

Swanson noted some jobs should have increased after the recession.

  - Wages for manufacturing jobs are higher than retail and service oriented jobs
- Uses –

- The following uses are currently allowed with some changes: day cares (proposed to be limited to accessory use with no exterior signage), and restaurants (proposed to not allow those with drive-thrus).

Swanson asked about the difference between taproom and brewpub. Markegard said a taproom accompanies a brewery and can only sell beer brewed in the brewery and not beer brewed elsewhere. A brewpub is basically a restaurant with a small brewing operation. Food must be served.

Swanson asked about the definition of indoor agriculture. Markegard stated that a common form of indoor agriculture is hydroponics, which would be allowed. James stated hotels would be changed to a prohibited use.

Class I and II motor vehicle sales would be removed. New places of assembly proposed after the adoption of the industrial code update would become a prohibited use in all zoning districts, whereas existing places of assembly would remain code compliant.

Swanson asked about the difference between social club vs. place of assembly in terms of conflict of use within industrial districts. Retail showrooms would be changed to permitted, but with a set of performance standards. The proposed showroom standards include customers will not be allowed to walk out with a product, the showroom space limited to no more than 25% of total floor area, and the use would only be allowed as accessory to warehouses and manufacturing.

Farmers market would be allowed.

The definition of Sports training facilities would be changed to make the definition more clear in relation to Health Clubs.

Indoor recreation would continue to be prohibited. Swanson and Goodrum expressed interest in allowing indoor recreation in some industrial districts. They asked if there was any difference in use between indoor recreation, which is not allowed, and taprooms, which are proposed as permitted. However, they both agreed that retail uses should be limited in industrial districts.

- Development Standards –
  - Minimum floor area of principal building – new standard would be 2,000 square feet in the I-3 zoning (previously no minimum)
  - Maximum floor area ratio –
    - Revised IP FAR from 0.5 to 2.0 FAR
    - New standard would be 2.0 FAR in the I-1, I-2 and I-3 districts
  - Minimum setbacks –
    - Revised to 30 ft along public streets in all districts
      - Currently 60 ft in I-1 and IP
      - Other districts currently 35 ft
    - Revised to 20 ft parking setback in IP
      - Currently 40 ft
    - Revised to 25 ft along side yard in I-1 and IP
      - (originally 60 ft)
      - Matches I-2 and FD-2 (I-3 is 10 ft)

The Commission was in agreement with the proposed development standards.

Questions?

Swanson asked about the difference between taprooms vs. breweries. He recommended a facility incorporating both bottling and consumption. Swanson suggested taproom and cocktail room to be accessory to brewery and distillery. Goodrum expressed concerns about truck and pedestrian traffic at a taproom/brewery. He suggested allowing taprooms only in the lighter industrial districts. Goodrum suggested not allowing places of assembly and sports training on sites with heavy truck use to avoid conflicts with pedestrians.

Swanson thought the indoor agriculture use could bring creative possibilities.

Bennett asked about the health club. James stated health clubs are currently listed as accessory and must be adjacent to a collector or arterial road. Health clubs are conditional uses in the I-3 zoning district and the change would be to add health clubs as conditional in the I-1 and I-2 zoning districts and not permitted in IP. Bennett also asked about the IT District. Markegard stated the IT district is a new district and could be applied to the Seagate, Cypress Polar Fab and potentially the Kelley Farm.

There was discussion about leaving the prohibited uses out of the matrix. Staff's thought was to identify the prohibited uses with a blank box in order to avoid confusion. There is a sentence in the Code that states uses not associated with a letter in the matrix are prohibited uses in the respective zoning district.

Goodrum stated the City should consider allowing work/live units in the commercial districts as well as the industrial districts.

Bennett asked about day care facilities. Day care facilities would be an accessory use with no exterior signage. Stand-alone day care facilities would not be allowed.

Bennett asked about the removal of sports training facilities in the IP zoning district. The IP zoning district is intended to be a true and clean industrial district. There will be clearer definition of health clubs and sports training facilities.

Goodrum asked about the need for the I-1 district. There are a few parcels currently zoned I-1. One parcel is a car care facility that is not allowed in other zoning districts. Goodrum recommended transitioning the I-1 uses to I-3. That way, as soon as a new use goes in, look at potentially rezoning to another industrial zone. Bennett recommended moving the car care center use to I-3 and rezone the parcel to I-3.

Swanson suggesting collocating a use such as indoor entertainment with a taproom in order to draw people in.

Bennett asked about hotel uses as permitted in the IT District. Markegard provided an overview of the history behind the IT District. During the preparation of the South Loop District Plan, there was concern about the high amount of office use proposed for the district combined with decreasing demand for office uses. There was discussion that Cypress and PolarFab were already in the area and perhaps there would be additional demand for clean, high tech manufacturing. The intent of IT is to allow all the uses currently allowed in those districts plus clean manufacturing.

Solberg asked about exterior storage. James mentioned exterior storage would only be allowed when accessory to the principal use. Markegard mentioned exterior storage would be an accessory use in the IT district. PolarFab currently has accessory exterior storage.

The Commission discussed the difference between laboratories, medical and dental uses versus medical and dental offices. James noted that these are defined and listed separately in the use matrix.

There was discussion about the southwest corner of Normandale Boulevard and Old Shakopee Road as protected or transitional. Goodrum and Swanson suggested the area as transitional and Bennett and Solberg recommended the area as protected.

- Exterior storage –
  - Two types today – directly related to a principal use (permitted) vs. not directly related to a principal use (interim or conditional)
  - Pros – satisfies the market demand, less illegal contractor storage at homes, reduces contractor overhead
  - Cons – aesthetics, underutilization of land (fewer jobs), lower tax base
  - Surrounding communities – Other cities do not allow stand-alone exterior storage. They require paving and only located in side and rear yards or meeting principal building setbacks.
  - Tax implication – less value in exterior storage with no building
  - **Proposed standards** –
    - Not permitted as a stand-alone use
    - Must have a direct relationship to the primary use
    - Limit floor area to 50% of primary use
    - Cannot locate between building and public ROW
    - Enhance screening standards

Goodrum expressed concerns about the 50% floor area standard. A map identified conforming and non-conforming sites with open storage based on an aerial image review. He agreed there needs to be some criteria that links building and amount of storage. Markegard asked what others thought of a 50% of floor area limit? Goodrum commented that other communities do not address the limit. Commissioners agreed that open storage should be accessory to principal use and its accessory nature should guide the floor area limit. The Commissioners agreed that open storage should be limited to 99-100% of the building floor area.

There are impacts on taxes: less value. Bennett asked about existing properties that may not meet the proposed standards. Markegard stated the use would be legally nonconforming if the standards would not be met. It is rare to want to expand the exterior storage since many sites are already fully developed. Question: do you agree with the proposed standards? The commissioners agreed the exterior storage cannot be larger than the primary use.

- Self-storage –
  - Five existing self-storage facilities with and additional three recently approved
  - Surrounding communities – Edina allows self-storage with a max of 0.5 FAR. Other communities define self-storage facilities differently

- Pros – high demand, reduces storage demand in garages and sheds, associated RV parking requirement
- Cons – underutilization of land (fewer jobs), center for south metro storage, sustainability, reusability
- **Proposed standards** –
  - Minimum 1.25 FAR
  - Exterior storage cannot be located between building and public ROW
  - Required screening of exterior storage with fence or wall equal in height to exterior storage

New buildings would have to be multi-story to meet the proposed FAR standards. If the facility is one story, then it is not matching with the cost of land. There was discussion about not allowing self-storage in transitional areas, and only permitting in the protected areas of the zoning strategies map as a way to avoid limiting redevelopment. The 1.25 FAR will only contribute to taller self-storage facilities. Goodrum mentioned a three-story facility would be OK, which is why 1.25 FAR is appropriate. He thought there should be a limit regarding height across from residential areas. Staff asked would commissioners rather have a minimum 1.25 FAR to have taller but fewer self-storage facilities or a lower FAR and have lower density but more overall self-storage facilities. The Commission suggested higher FARs but requiring self-storage facilities to be a specific number of feet away from residential areas.

Staff asked what are the opportunities for self-storage reusability? Is it the owners responsibility to look at future use?

The Commission is open to requiring a reuse plan for self-storage facilities, but Goodrum expressed doubt that a reuse plan would provide much substance about potential new uses and would amount to busy work for the applicant with little positive outcome.

- Live/work –
  - Three Types – Home occupation, live/work and work/live
  - Purpose: incorporate both uses, flexibility, provide opportunities, protect existing uses and ensure compatibility
  - Definition: a built space used or designed to be used both as a workplace and as a residence by one (1) or more persons, and where the residential use is the space as secondary.
  - Pros – flexibility, less commuting, financial and emotional investment in community, more foot traffic and activity, boosted tax revenues and economic development, serves as transition between residential and industrial
  - Cons – conflict of use, threat of residential displacing primary use, businesses conducted from dwelling units can be easily hidden from public view – need to be diligent about registering businesses
  - Uses typically not permitted - auto body shops, liquor sales, pet shops & kennels, funeral homes, arcades, adult entertainment
  - Surrounding communities – some Codes do not address live/work specifically, or are allow in mixed use districts
  - **Proposed standards** –
    - Residential component prohibited at street level where single purpose residential structures are prohibited

- Space required –
  - Cooking space and sanitary facility
  - Dwelling must be located behind or above work space
  - No less than 2/3 working space;
- business license required
- Parking –
  - 1 space/each unit of fewer than 2,500 sq.ft.
  - For units > 2,500 sq.ft., parking based on standard of nonresidential use
- **May not include** commercial food service requiring a license, limousine business, or auto service or repair

Goodrum suggested to only allow live/work in transitional industrial areas. Solberg mentioned live/work would be more appropriate in a mixed-use scenario. Does the resident have to own the building? What are the compatibility and nuisance impacts of a work/live situation in a multi-tenant center? The Commission agreed they are interested in continuing to review work/live uses.

- Next steps
  - June 11 – City Council Study Session
  - Summer 2018 – Continued research & focus groups with property owners, Chamber of Commerce, NAIOP
  - Summer/Fall 2018 – Informational Meeting for Industrial Property Owners/Public
  - Fall 2018 – Planning Commission and City Council Public Hearings

The Commissioners agreed to have staff come back for a study session after the public outreach but prior to a public hearing.

**ITEM 3**  
**?:?? p.m.**

---

**APPLICANT:** City of Bloomington

**REQUEST:** Takeaways from 2018 National APA Conference

---

The Commissioners discussed takeaways from the 2018 National American Planning Association Conference in New Orleans, Louisiana.

The meeting adjourned at 9:07 p.m.

**Prepared By:** EO **Reviewed By:** SJ, GM

**Approved By Planning Commission:** June 14, 2018